

# EQUIPMENT LEASE AGREEMENT

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Equipment Lease No. 138  
INTERSTATE COMMERCE COMMISSION

THIS LEASE, dated as of this 15th day of September, 1975, by and between MDFC Equipment Leasing Corporation, a Delaware Corporation, (hereinafter called "Lessor") and Pittsburgh and Lake Erie Railroad Company a Delaware Corporation, (hereinafter called "Lessee"):

## WITNESSETH:

1. *Lease.* Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to hire from Lessor the unit or units of equipment, machinery or other property (hereinafter called "equipment") described in the Individual Equipment Record (hereinafter called "IER") to be attached hereto as Exhibit "A" and made a part hereof, or any subsequent IER's which may hereafter be made a part hereof as same are executed from time to time by the parties hereto.

2. *Term.* The term of the lease for any of the equipment shall be as set forth on the IER applicable to such equipment and shall commence for each unit or units of equipment on the date shown on the applicable IER. The word "term" as used herein shall refer to any extensions of the original term.

3. *Rent.* Lessee shall pay Lessor rent as stipulated in the IER, without deduction or offset, in the amounts and at the times set forth in the IER. In the event Lessee shall be in default in the payment of any sum of money to be paid under this lease agreement, the Lessee shall pay Lessor, as additional rental, to the extent permitted by applicable law, interest on unpaid rent from its due date (without regard to any grace period) to date of payment at the rate of 10% per annum or such lesser amount as may represent the maximum permitted by applicable law. Rent shall be payable at the office of Lessor at 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Controller (18A-36) or its assigns (or at such other place as Lessor may from time to time designate in writing).

4. *Taxes Against Lessor or Equipment.* Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license and registration fees and sales, use, personal property, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever together with any penalties, fines or interest thereon (collectively, "taxes, fees or other charges") imposed against Lessor, Lessee or the equipment or any part thereof by any Federal, state or local government or taxing authority, during the term or in connection with the termination of this lease, upon or with respect to the equipment or any part thereof or upon the purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this lease (excluding, however, (i) any taxes imposed by the Federal government on, based on, or measured by, the net income of the Lessor and (ii) any income or franchise taxes imposed by any taxing authority other than the Federal government on, based on, or measured by, the net income of the Lessor which in the aggregate do not exceed the amount of any such taxes which would be payable to the taxing authorities of the jurisdictions, other than the United States of America, in which Lessor has its principal place of business if there was no allocation or apportionment to any other taxing authority), unless, and to the extent only that, any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings. In case any report or return is required to be made with respect to any obligation of Lessee under this Section or arising out of this Section, Lessee will either make such report or return in such manner as will show the ownership of the equipment in Lessor and send a copy of such report or return to Lessor or will notify Lessor of such requirement and make such report or return in such manner as shall be satisfactory to Lessor. Anything contained in this Section to the contrary notwithstanding, if Lessor shall assign or convey its right, title and interest in and to this Lease and/or the equipment, Lessee shall not be obligated to pay any taxes, levies, imposts, duties, charges or withholdings of any nature imposed against Lessor, Lessee or the equipment which would not have been imposed had such assignment or conveyance not occurred. If claim is made against Lessor for any such taxes referred to in this Section, Lessor shall promptly notify Lessee. If reasonably requested by Lessee in writing, Lessor shall, at Lessee's expense, take such action as Lessee may reasonably request with respect to such asserted liability, and if reasonably so requested by Lessee, any payment by Lessor of such tax shall be made under protest, if protest is necessary and proper. If payment is made, Lessor shall, at Lessee's expense, take such action as Lessee may reasonably request to recover such payment and shall, if requested, permit Lessee in Lessor's name to file a claim or prosecute an action to recover such payment. All of the obligations of Lessee under this Section with respect to any fees, taxes, levies, imposts, duties, charges or withholdings (together with any penalties, fines or interest thereon) imposed or accrued before the expiration or other termination of this lease shall continue in full force and effect notwithstanding such expiration or other termination and are expressly made for the benefit of, and shall be enforceable by, Lessor.

Lessor and Lessee covenant and agree that Lessor shall have the sole right to utilize and to claim depreciation deductions on the equipment in the computation of Federal, state and local tax returns and reports for any year during the term of this lease and that Lessee shall not utilize or claim or attempt to utilize or claim said depreciation deductions for any tax purposes whatsoever.

5. *Lessee's Failure to Pay Taxes, Insurance, Etc.* Should Lessee fail to make any payment or do any act as herein provided, then Lessor shall have the right, but not the obligation, without notice to or demand upon Lessee, and without releasing Lessee from any obligation hereunder, to make or do the same, and to pay, purchase, contest or compromise any encumbrance, charge or lien which in Lessor's judgement appears to affect the equipment, and in exercising any such rights, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be without demand immediately due and payable by Lessee and shall bear interest at the maximum rate permitted by applicable law.

6. *Use.* Lessee shall use, operate, maintain and store the equipment in a careful and proper manner and shall comply with all laws, ordinances and regulations in any way relating to the possession, use, operation or maintenance of the equipment. Lessee shall put the equipment only to the use contemplated by the manufacturer. Lessee shall affix to the equipment and keep upon the equipment such labels, plates or markings furnished by Lessor stating that the equipment is owned by the Lessor. Lessee shall not remove the equipment from the location set forth in the IER or transfer possession of the equipment in any manner whatsoever without Lessor's prior written consent. Upon demand by Lessor, Lessee shall give Lessor written notice of the exact location of the equipment.

7. *Alterations.* Lessee shall not make any alterations, additions or improvements to the equipment without the prior written consent of Lessor. All such alterations, additions or improvements shall become the property of Lessor, shall be free of all encumbrances, and for which Lessee shall provide a bill of sale to Lessor. The equipment shall remain personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereon.

8. *Maintenance and Repair.* Lessee, at its sole cost and expense, shall keep the equipment in good operating order, repair, condition and appearance and shall furnish any and all parts, mechanisms or devices required to keep the equipment in good mechanical and working order.

9. *Delivery Inspection; Acceptance.* Prior to execution of the IER Lessee shall have made all necessary inspections and tests of the equipment referred to therein at Lessee's sole expense, to determine whether the equipment conforms to the specifications selected by Lessee. Lessee shall advise Lessor in writing at the time of execution of the IER, of any defect or objection to the type or condition of the equipment. Lessee's failure to advise Lessor of any defect or objection with respect to any item of equipment shall not establish the absence of any such defect in any equipment insofar as the manufacturer or supplier thereof is concerned. Upon execution of the IER by Lessee, the equipment shall be deemed to conform to Lessee's specifications and shall be deemed to be in good condition and without defects. Lessee shall indemnify, exonerate and save harmless Lessor from all claims, damages, actions, expenses (including attorneys' fees), any liabilities of any kind arising out of or connected with the failure or refusal of Lessee to accept, or the delay of Lessee in accepting, the equipment.

10. *Inspection; Lessee Reports.* Lessor shall at any time during normal business hours have the right to enter the premises where the equipment may be located for the purpose of inspecting and examining the equipment, its condition, use, and operation to ensure compliance by Lessee with its obligations under any lease made hereunder, notwithstanding that Lessor shall have no duty to inspect and shall not incur any liability or obligation by reason of not making any such inspection.

Lessee shall immediately notify Lessor of any accident connected with the use, operation or malfunction of the equipment, including in such report the time, place and nature of the accident, the damage caused to property, the names and addresses of persons injured and of witnesses, and such other information as may be pertinent to Lessor's investigation of such accident.

Lessee shall notify Lessor in writing within ten (10) days after any attachment, tax lien or other judicial process shall attach to any item of equipment.

Lessee shall, as soon as practicable after the close of each quarter and fiscal year of Lessee, furnish to Lessor copies of Lessee's financial reports prepared by it as of the close of the period ended, including Lessee's balance sheet and profit and loss statement, with said fiscal year reports certified to by a recognized firm of certified public accountants. Lessee also agrees to furnish Lessor during the term, promptly upon their availability, copies of all financial statements, reports, notices and proxy statements, sent by Lessee to its stockholders, and of all regular and periodic reports filed by Lessee with principal securities exchange on which the common stock of Lessee is listed, if any, or with the Securities and Exchange Commission, including 10K reports. Further, Lessee agrees to furnish Lessor from time to time such other information as Lessor may reasonably request.

11. *Warranties.* LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

Lessee hereby waives any claim it might have against Lessor for any loss, damage or expense caused by the equipment or by any defect therein, use or maintenance thereof or servicing or adjustment thereto. During the period of any lease hereunder in which Lessee is not in default of its obligations, Lessor hereby assigns to Lessee any manufacturer or dealer warranty, whether express or implied, on the equipment covered by any lease hereunder. All claims or actions on any warranty so assigned shall be made or prosecuted by Lessee, at its sole expense and Lessor shall have no obligation whatsoever to make any claim on such warranty. Any recovery under such a warranty shall be made payable to Lessor to the extent of the "Stipulated Loss Value"; for purposes of this Lease "Stipulated Loss Value" as of any date of computation is that percentage of equipment cost in the IER opposite that rental payment last received by Lessor. Lessor further authorizes Lessee to obtain whatever service to the equipment the manufacturer customarily renders, provided that no such service be at the expense of the Lessor.

12. *Insurance.* Simultaneously upon passage of risk of loss from the vendor, Lessee at its own expense shall maintain all risk physical loss insurance on the equipment as set forth in the IER pertaining thereto for the Stipulated Loss Value, and will maintain public liability and property damage liability insurance with respect to the equipment as set forth in the IER. Said insurance shall not be excess over other coverage but shall be primary insurance up to and including the stated policy limits. Except as otherwise provided in any IER, all such insurance shall name Lessor and Lessee as insureds, shall be in amounts and with companies approved by Lessor. Said policies shall provide that they may not be altered or canceled by the insurer without thirty (30) days' written notice to Lessor. Losses shall be adjusted only with and paid to, Lessor and its assignee, if any. Said insurance shall be satisfactory to Lessor and shall contain such endorsements as may be requested by Lessor. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage or return premium under any insurance policy issued on said equipment. Lessee's obligation to keep the equipment insured as provided herein shall continue until said equipment is returned to Lessor.

Lessee shall furnish Lessor with all insurance policies, endorsements or renewals applicable to the equipment as soon as they become available to Lessee.

13. *Risk, Event of Loss, Condemnation.*

(a) *Risk:* Commencing at the time such risks pass to Lessor from the vendor of the equipment and continuing until the termination of this lease and the return by Lessee of the equipment to Lessor, Lessee assumes the entire risk of any Event of Loss as defined below or any liability of Lessor from any cause whatsoever and no such Event of Loss or liability shall relieve Lessee of its obligation hereunder.

(b) *Definition - Event of Loss:* For purposes of this Section an Event of Loss with respect to any equipment shall mean any of the following events with respect to such equipment: (i) the actual or constructive total loss of such equipment; (ii) such equipment shall become lost, stolen, destroyed, damaged beyond repair or permanently rendered unfit for intended use for any reason whatsoever; or (iii) the condemnation, confiscation or seizure of, or requisition of title to or use of such equipment.

(c) *Deprivation Constituting an Event of Loss:* Upon the occurrence of an Event of Loss, Lessee shall pay or cause to be paid in immediately available funds upon demand: (i) accrued rentals on a daily basis, if any, in respect of such equipment to the date of such Event of Loss, (ii) the Stipulated Loss Value computed as of the date of such Event of Loss, (iii) interest on the unpaid balance of said amount at the maximum rate permitted by applicable law from ten (10) days after the date of such Event of Loss to the date of receipt, and (iv) all other unpaid amounts due hereunder. At such time as Lessor has received the sum of (i), (ii), (iii) and (iv) above, the obligation of Lessee to pay rent hereunder with respect to such equipment shall terminate and Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest, if any, in and to the equipment with respect to which such Event of Loss occurred.

(d) *Deprivation Not Constituting an Event of Loss:* In the event of damage of any equipment not constituting an Event of Loss, Lessee shall promptly notify Lessor in writing of such damage and, shall remain obligated to make all payments of rent for the equipment which may become due hereunder in the same manner as if such damage had not occurred. Lessee shall repair and restore such equipment to the condition it was in immediately prior to the occurrence which gave rise to such payment. So long as no Event of Default shall have occurred and be continuing, all payments from insurance proceeds or otherwise with respect to any such damage shall be paid over to Lessee upon receipt of satisfactory evidence by Lessor that Lessee has repaired or contracted to repair such equipment. Should an Event of Default have occurred and be continuing, all such payments shall be paid over to and retained by Lessor.

(e) *Application of Payments:* Upon the occurrence of any Event of Loss, Lessor shall be entitled to and shall receive the entire award, judgement, settlement, insurance proceeds or payments and all installments thereof to the extent of Lessee's obligations under 13(c) hereof. Lessee hereby assigns to Lessor any right or interest Lessee may have or may hereafter acquire in any such award or payment.

14. *Indemnity:* Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its agents and employees, from and against any and all loss, claims, patent infringements, costs, expenses, damage and liabilities (including reasonable attorneys' fees), however caused, resulting directly or indirectly in any manner from the issuance of Lessor's purchase order, assignment of Lessee's purchase order, ownership, purchase, delivery, lease, possession, return, disposition, or directly or indirectly from or pertaining to the use, condition (including without limitation latent or other defects whether or not discoverable) or operation of the equipment or the performance of this lease (including without limitation such loss, claims, costs, expenses, damages and liabilities arising from the death or injury to agents or employees of Lessee or Lessor or any third person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person, firm or corporation) except for such damages, losses, expenses or liabilities arising out of the gross negligence or willful misconduct of Lessor, its agent or employees. This indemnification shall survive the expiration or other termination of this lease for the benefit of and enforceable by the Lessor.

15. *Return of Equipment.* Upon the expiration or earlier termination of any lease hereunder, Lessee shall return each item of equipment to Lessor, free of all advertising or insignia placed thereon by Lessee, and in the same operating order, repair, condition and appearance as when received, and shall pay for any repairs and refurbishing necessary to restore such equipment to its original condition, ordinary wear and tear excepted. Lessee shall return the equipment to Lessor loading and shipping same, freight and insurance prepaid, to a destination directed by Lessor.

16. *Default, Remedies, Damages*

(a) *Defaults:* The following events shall constitute Events of Default:

- (1) Lessee shall fail to make any payment to Lessor when due under this lease and such failure to pay shall continue for a period of ten (10) or more days; or
- (2) There shall occur any termination of, material alteration in the scope of the coverage of, or reduction in the maximum amounts payable under any insurance maintained by Lessee pursuant to this lease; or
- (3) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof by Lessor; or
- (4) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time in any material respect; or
- (5) Any obligation of Lessee for the payment of borrowed money, for the deferred purchase price of property or for the payment of rent or hire under any lease shall not be paid when due, whether by acceleration or otherwise; or
- (6) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed within a period of sixty (60) days; or bankruptcy, reorganization, or insolvency proceedings shall be instituted by or against Lessee, and, if instituted against Lessee, shall not be dismissed within a period of sixty (60) days.

(b) *Remedies:* Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor, at its option, may do one or more of the following with respect to any or all equipment.

- (1) Proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this lease and to recover damages for the breach thereof;
- (2) Repossess with or without notice and sue for the rentals due hereunder as they accrue without notice and at Lessee's costs and expenses;
- (3) Repossess and without terminating the lease hold the equipment until Lessee shall have complied with all obligations under the lease;
- (4) Repossess with or without notice and sell, relet, use, hold or otherwise dispose of the equipment;
- (5) Without repossessing, declare all unpaid rentals immediately due and payable;
- (6) Repossess and terminate the lease.

(c) *Damages:* Lessor and Lessee agree that the measure of damages is impossible to determine in the absence of prior agreement. Therefore, the parties agree that as damages for the loss of a bargain and not as a penalty in the case of sale or reletting after repossession Lessor shall be entitled to:

- (i) *Sale:* Where a sale has occurred, the deficiency between the Net Proceeds of Sale and the Stipulated Loss Value at the time of sale. Where a sale has not yet occurred, the excess of the Stipulated Loss Value at the time of determination over the Fair Market Sales Value.
- (ii) *Reletting:* Where a reletting has occurred, the deficiency between the aggregate rentals due under the reletting discounted at Prime and the greater of (a) the Stipulated Loss Value at reletting, or (b) the aggregate unpaid lease rentals discounted at Prime. Where a reletting has not yet occurred, the deficiency between the Aggregate Fair Market Rental Value discounted at Prime and the greater of (a) the Stipulated Loss Value at time of determination, or (b) aggregate unpaid lease rentals discounted at Prime.
- (iii) In addition to that set out in (i) and (ii), Lessor shall be entitled to: (a) the unpaid rent from default until sale, reletting or determination by Lessor of damages, and (b) interest on all amounts due including rent and damages from date due until payment at the maximum rate permitted by applicable law.

For purposes of this Section the following definitions apply:

- (1) *Discounted:* Reduction to present value as of the date of sale, reletting or determination of damages, whichever is applicable, at the stated interest rate and at a frequency equal to the frequency of rental payments under this lease.
- (2) *Aggregate Fair Market Rental or Aggregate Fair Market Sales Value:* A value determined by a recognized independent appraiser selected by Lessor.
- (3) *Net Proceeds of Sale:* The gross consideration received by Lessor less all expenses associated directly or indirectly with sale including but not limited to refurbishing, repair, advertising, freights, financing costs.
- (4) *Prime:* Best rate then charged by The Chase Manhattan Bank of New York for 90-day loans to substantial commercial borrowers.

(d) Each and every power and remedy herein specifically given to Lessor, shall be in addition to every other power and remedy specifically so given or now or hereafter existing at law or in equity, and each and every power or remedy may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by Lessor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. In the event that Lessor shall bring any suit or action to enforce any of its rights hereunder, then in such suit or action Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgement.

Lessee hereby appoints Lessor, Lessee's irrevocable agent and attorney-in-fact to execute all documents deemed necessary to release, terminate and void Lessee's interest in any equipment leased hereunder and to file said documents for recordation with appropriate agencies provided that an Event of Default has occurred and Lessor in its discretion deems use of this agency necessary to effect any remedy Lessor chooses to take.

17. *Assignment by Lessee.* Lessee shall not transfer, assign, pledge or hypothecate this lease, the equipment or any part thereof or any interest therein, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not be deemed to be consent to any subsequent similar act.

18. *Assignment by Lessor.* Lessor may assign, pledge or in any other way transfer this lease either in whole or in part, or any interest therein without notice to Lessee and Lessee shall execute such consents thereto as may be required by Lessor. Should this lease or any interest therein be assigned or should the rentals hereunder be assigned, no breach or default by Lessor of this lease or any other agreement between Lessee and Lessor shall excuse performance by Lessee of any provision hereof, and no assignee shall be obligated to perform any covenant, condition or obligation required to be performed by Lessor hereunder. The right of such assignee to receive the rentals or to receive the equipment upon termination of the lease shall be free of all defenses, setoffs and counterclaims which Lessee might now or hereafter be entitled to assert against Lessor.

19. *Ownership by Lessor.* The equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the equipment is that of a Lessee hereunder.

20. *Suspension of Obligations of Lessor.* The obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances, including strikes and lockouts, acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatsoever beyond the control of Lessor.

21. *Prohibition Against Setoff, Counterclaim, Etc.* Lessee's obligation to pay all amounts due hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation (i) any setoff, counterclaim, defense, or other right which Lessee may have against Lessor, (ii) any defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, the equipment, or any interruption or cessation in the use of possession thereof by Lessee for any reason whatsoever, or (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee.

Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit, or surrender this lease.

If for any reason whatsoever this lease shall be terminated in whole or in part by operation of law, except as specifically provided herein, Lessee nonetheless agrees to pay to Lessor an amount equal to each installment of rent at the time such installment would have become due and payable in accordance with the terms hereof had this lease not been terminated in whole or in part. Each rent payment made by Lessee shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

22. *Representation, Warranties and Covenants of Lessee.* Lessee represents, warrants and covenants: (i) that it is a duly organized corporation with necessary power and qualifications to do business and to perform this lease and any exhibits thereto, (ii) that this lease has been duly authorized by all necessary corporate action and will not contravene or breach any legal, organizational or contractual regulation binding upon Lessee, (iii) that this lease constitutes a binding obligation enforceable in accordance with its terms, (iv) that there are no suits or proceedings pending or threatened which may have an adverse effect on Lessee's financial condition or business, (v) that no mortgage, deed of trust, charter, lease or other lien or security interest of any type, will attach to the equipment, (vi) that taxes due from Lessee have been paid and Lessee's financial condition is as represented in financial statements dated December 31, 1974

23. *Attorneys' Fees.* In the event of any action at law or suit in equity in relation to this lease, Lessee, in addition to all other sums which Lessee may be called upon to pay, will pay to Lessor a reasonable sum for its attorneys' fees.

24. *Notices.* All notices required under the terms and provisions hereof shall be in writing and addressed (i) if to Lessee:

P&LE Terminal Building  
Smithfield and Carson Streets  
Pittsburgh, Pennsylvania 15219

or at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor: MDFC Equipment Leasing Corporation, Attention: President, at 3855 Lakewood Boulevard, Long Beach, California 90846, or at such other address as Lessor shall from time to time designate in writing to Lessee.

25. *Conditions Precedent.* As conditions precedent to Lessor's duties under this lease, Lessee shall furnish Lessor on or before the delivery of this lease the following: (a) an opinion of counsel verifying those representations set out in Section 22 (i) through (v) inclusive hereof, (b) certified copies of necessary resolutions and other documents authorizing this lease and Lessee's performance hereunder, and (c) such other documents as Lessor may require.

26. *Applicable Law, Modifications.* This lease shall be governed by and construed according to the laws of the State of California. The terms hereof shall not be waived, varied, contradicted, explained, amended or changed in any other manner except by an instrument in writing of even or subsequent date hereto, executed by both parties.

27. *Recording, Registration and Filing.* Lessee shall, at its expense, accomplish all recordings, registrations and filings of this lease and any mortgage, security interest, waiver, license, permit or certificate incident thereto, required by law or deemed reasonably necessary by Lessor to protect its interests in the equipment, and shall furnish Lessor with satisfactory evidence of each such recording, registration and filing.

28. *Time.* Time is of the essence hereof.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed by their duly authorized officers on the day and year first written above.

S E A L

S E A L

LESSOR: MDFC EQUIPMENT LEASING CORPORATION

LESSEE: PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

By

George O. Rosen  
VICE PRESIDENT

By

H.B. Allyn

Title

Title

President

ATTEST:

ATTEST:

By

Charles J. [Signature]

By

Edward [Signature]

Title

General

Title

And Secretary

COMMONWEALTH OF PENNSYLVANIA)

) SS:

COUNTY OF ALLEGHENY )

On this *10th* day of *Oct.*, 1975, before me personally appeared H. G. ALLYN, Jr., to me personally known, who being by me duly sworn, says that he is the PRESIDENT of THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Donna R. Smocer*

Notary Public

(SEAL)

My Commission Expires: *Feb. 3, 1976*

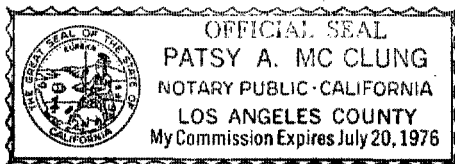
DONNA R. SMOCCER, Notary Public  
Pittsburgh, Allegheny Co., Pa.  
My Commission Expires  
February 3, 1976

STATE OF CALIFORNIA )

) SS:

COUNTY OF *Los Angeles* )

On this *14th* day of *October*, 1975, before me personally appeared *George M. Rosen* to me personally known, who being by me duly sworn, says that he is *Vice President* of MDFC EQUIPMENT LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



(SEAL)

*Patsy A. McClung*

Notary Public

My Commission Expires: *July 20, 1976*

McDonnell Douglas Finance Corporation

## INDIVIDUAL EQUIPMENT RECORD

IER NO. \_\_\_\_\_

Dated as of \_\_\_\_\_ to that Equipment Lease Agreement dated as of \_\_\_\_\_.

**LESSOR:** MDFC Equipment Leasing Corporation  
 3855 Lakewood Boulevard  
 Long Beach, California 90846  
 Attention: 18A-34

**LESSEE:** \_\_\_\_\_**LOCATION OF EQUIPMENT:** \_\_\_\_\_**ACCEPTANCE DATE:** \_\_\_\_\_

New _____ Used _____	Purchase Order No. _____	Term: _____ year(s) _____ month(s) Commencing _____	Security Deposit: \$ _____
Sales, Use and Other Taxes \$ _____			
<b>RENTAL:</b> \$ _____ payable upon execution of this IER, to be applied to the _____ rental installment. Payment of the _____ through _____ rental installments shall commence on _____ and shall continue _____ thereafter on the _____ day of each _____, with each such rental installment to be in the amount of \$ _____.			
<b>EQUIPMENT DESCRIPTION AND SERIAL NO.(s) (SEE ATTACHED INVOICES):</b>			
Equipment Description	Serial No.	Equipment Cost	

# STIPULATED LOSS VALUES

PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
Before Payment 1	102.7	41	91.3	81	60.5
1	102.7	42	90.8	82	59.7
2	102.9	43	90.3	83	58.9
3	103.1	44	89.9	84	58.1
4	103.3	45	89.4	85	52.2
5	103.5	46	88.9	86	51.3
6	103.7	47	88.4	87	50.5
7	103.9	48	87.9	88	49.6
8	104.1	49	87.3	89	48.8
9	104.3	50	86.8	90	47.9
10	104.4	51	86.8	91	47.1
11	104.6	52	85.7	92	46.2
12	104.5	53	85.1	93	45.3
13	104.4	54	84.6	94	44.4
14	104.3	55	84.0	95	43.5
15	104.1	56	83.4	96	42.7
16	104.0	57	82.8	97	41.8
17	103.8	58	82.2	98	40.9
18	103.6	59	81.5	99	40.0
19	103.4	60	80.9	100	39.2
20	103.3	61	75.2	101	38.3
21	103.1	62	74.5	102	37.4
22	102.8	63	73.9	103	36.5
23	102.6	64	73.2	104	35.5
24	102.3	65	72.5	105	34.6
25	102.1	66	71.8	106	33.7
26	101.8	67	71.4	107	32.8
27	101.5	68	70.4	108	31.9
28	101.2	69	69.7	109	31.0
29	100.9	70	69.0	110	30.1
30	100.6	71	68.3	111	29.2
31	100.3	72	67.5	112	28.3
32	99.9	73	66.8	113	27.4
33	99.6	74	66.0	114	26.5
34	99.2	75	65.3	115	25.6
35	98.9	76	64.5	116	24.6
36	98.5	77	63.7	117	23.7
37	93.0	78	63.0	118	22.8
38	92.6	79	62.2	119	21.8
39	92.1	80	61.4	120	20.0
40	91.7			& thereafter	

**SPECIAL CONDITIONS:**

None

Contract for Purchase and  
Construction dated as of  
between Lessor and Lessee,

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the \_\_\_\_\_
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

The Lessee agrees to pay the rent set forth herein. The covenants, terms and conditions appearing in that certain Equipment Lease Agreement dated as of \_\_\_\_\_ between the undersigned Lessor and Lessee, shall be deemed to be incorporated herein by reference. This Individual Equipment Record shall be governed by and construed in accordance with the laws of the State of California.

LESSOR:  
MDFC EQUIPMENT LEASING CORPORATION

LESSEE:

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_



AMENDMENT NO. 1

THIS AMENDMENT NO. 1, entered into as of this 15th day of September, 1975, by and between MDPC EQUIPMENT LEASING CORPORATION, a Delaware corporation, having an office in Long Beach, California (hereinafter called "Lessor"), and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a Delaware corporation, having its principal place of business in Pittsburgh, Pennsylvania (hereinafter called "Lessee");

W I T N E S S E T H:

WHEREAS, the parties hereto have simultaneously herewith entered into an Equipment Lease Agreement, dated as of September 15, 1975 (hereinafter called the "Lease"), providing for the lease by Lessor to Lessee and the hire by Lessee of the units of equipment described therein; and

WHEREAS, the parties hereto now desire to amend said Lease to the extent hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Section 2 is hereby amended by striking the first sentence and inserting in lieu thereof the following:

"The term of this lease respecting any unit of equipment commences upon whichever of the following dates is earlier:

(a) the date the Contract for Purchase and Construction (hereinafter called the "Contract") or contract of any nature transfers any interest in any unit of equipment to Lessor or creates or gives rise to any obligation or liability on the part of Lessor in any manner related to any unit of equipment.

(b) the date set forth on the applicable IER for such unit of equipment."

2. (a) Section 6 is hereby amended by striking the third sentence and inserting the following in lieu thereof:

"Lessee shall cause each unit of equipment to be kept numbered with its road number as set forth in the IER with respect thereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each unit of equipment in letters not less than one inch in height as follows:

MDFC Equipment Leasing Corporation, Owner  
and Lessor under a Lease Agreement filed  
and recorded with The Interstate Commerce  
Commission pursuant to Section 20(c) of  
the Interstate Commerce Act."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such unit of equipment, its rights under this lease and the rights of any assignee under Section 18 hereof. The Lessee will not place any such unit of equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any unit of equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this lease shall have been filed, recorded or deposited.

Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on the equipment as a designation that might be interpreted as a claim of ownership; provided,

however, that the Lessee may cause the equipment to be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification. Lessee shall indemnify Lessor, and any assignee under Section 18 hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the equipment with such name, initials or insignia."

(b) Section 6 is hereby further amended by adding the following paragraph to said Section:

"So long as Lessee is not in default under this lease, it shall be entitled to possession of the equipment and to the use thereof upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation a majority of whose voting stock (having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by Lessee, or upon lines of railroads over which Lessee or any such corporation has trackage or other operating rights or over which equipment of Lessee is regularly operated pursuant to contract and also to permit the use of the equipment upon connecting and other railroads in the usual interchange of traffic, and to permit the temporary subletting or emergency use by other parties of any unit of equipment in the normal course of business, but only upon and subject to all the terms and conditions of this lease. No sublease or interchange or other agreement entered into by lessee hereunder shall relieve Lessee of any liability or obligations hereunder which shall be and remain those of a principal and not a surety.

The equipment shall at all times be used, maintained and operated in a careful and proper manner and in compliance with:

(a) all applicable laws, ordinances, rules, requirements and regulations including, without limitation the rules of the United States Department of Transportation and the Interstate Commerce Commission and the current Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads.

(b) all manufacturer's instructions and warranty requirements.

If Lessee's compliance with either (a) or (b) above requires changes or additions to be made on or to the equipment, such changes or additions shall be made by Lessee at its own expense."

3. Section 9 is hereby amended by inserting at line 6 following the word "specifications" the following:

"shall be deemed to conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all applicable interchange requirements of the Association of American Railroads"

4. Section 10 is hereby amended by striking

"or with the Securities and Exchange Commission, including 10K reports."

appearing at line 5 of the fourth paragraph of said Section and inserting in lieu thereof

"and with the Securities and Exchange Commission and the Interstate Commerce Commission including 12K and R-1 reports."

5. (a) Section 12 is hereby amended by striking

"all risk physical loss insurance on the equipment as set forth in the IER pertaining thereto for the Stipulated Loss Value and will maintain public liability and property damage liability insurance with respect to the equipment as set forth in the IER."

which appears in lines 1, 2 and 3 of the first paragraph of said Section and inserting in lieu thereof:

"Employer's Liability and Public Liability Insurance for Bodily Injury and Property Damage liabilities incurred by the Lessee, including liability assumed under any contract arising out of any occurrence or occurrences growing out of the Lessee's operations and all operations incidental thereto; in an amount not less than \$35 million any one occurrence and a deductible not to exceed \$2,000,000 any one occurrence."

- (b) Section 12 is hereby further amended by deleting the second sentence of the first paragraph of said Section 12.

(c) Section 12 is hereby further amended by inserting at the end of the first paragraph thereof the following:

"If an Event of Default occurs, Lessor shall have the right to obtain single interest coverage for the benefit of Lessor on the units of equipment and for public liability with respect to the units of equipment in amounts acceptable to Lessor; and Lessee, upon receipt of demand therefor from Lessor, shall reimburse Lessor for all costs and expenses incurred by Lessor in obtaining and maintaining such insurance coverage."

6. Section 15 is hereby amended by striking the last sentence and inserting in place thereof the following:

"Lessee shall, at its own cost and expense, deliver possession of such unit of equipment to Lessor upon such storage tracks of the Lessee as Lessor may designate, or in the absence of such designation, as the Lessee may select, and permit the Lessor to store such unit of equipment on such tracks for a period not exceeding ninety (90) days and transport the same at any time within such 90 day period to any reasonable place on the lines of the railroad operated by Lessee or to any of the lines of the railroad operated by Lessee or to any connecting carrier for shipment, all as directed by Lessor upon not less than thirty (30) days written notice to Lessee. All movement and storage of each such item of equipment is to be at the risk and expense of the Lessee. During any such storage period, Lessee will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such unit of equipment, to inspect the same. The assembling, delivery, storage and transporting of the equipment as hereinbefore provided are of the essence of this lease, and upon application to any court of equity having jurisdiction in the premises; Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee to so assemble, deliver, store and transport the equipment."

7. Section 16 is hereby amended by adding a new subsection (e) as follows:

"(e) If the Lessor or any assignee of Lessor shall terminate this lease pursuant to Section 16 hereof, the Lessee shall forthwith deliver possession of the equipment to

the Lessor. For the purpose of delivering possession of any unit of equipment to the Lessor as above required, the Lessee at its own cost, expense and risk (except as hereinafter stated) shall:

(i) Forthwith place such equipment in such reasonable storage place on the Lessee's lines of railroad as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(ii) Permit the Lessor to store such equipment in such reasonable storage place on the Lessee's lines of railroad for a period not exceeding 180 days at the risk of the Lessee; and

(iii) Transport the equipment, at any time within such 180 days' period, to any place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as the Lessor may reasonably direct upon not less than 30 days' written notice to the Lessee."

8. Section 17 is hereby amended by striking the period at the end of the first sentence and adding the following:

"except to the extent that the provisions of any mortgage now or hereafter created on any of the lines of railroad of Lessee may subject such leasehold interest to the lien thereof, (but this exemption shall not be deemed to be a waiver or subordination by Lessor of any of its rights hereunder)."

9. (a) Section 22 is hereby amended by striking the period at the end of the Section and adding the following:

", (vii) the execution and delivery of this lease, and all documents entered into in connection with this lease have been duly authorized by all necessary corporate or other action and, except under Section 20(c) of the Interstate Commerce Act, do not require the consent, approval or withholding of objection by any person, party or governmental agency and this Lease and such other documents constitute the legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their respective terms and if this lease is filed and recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act and deposited with the Registrar General of Canada pursuant to Section 86(1) of the Railway Act, and notice of such deposit has been given in the Canada Gazette

pursuant to such Section 86(2) no other filing, recording or depositing or any notice thereof is necessary to protect the Lessor's title to the equipment in the United States of America and in Canada and (viii) the transactions contemplated by this lease do not violate any applicable bulk sales acts or fraudulent conveyance statutes and all necessary compliance with such acts or statutes has occurred."

(b) Section 22 is hereby further amended by adding a new sentence as follows:

"Lessee further represents, warrants and covenants that: (i) Lessee shall not make or have outstanding any loans, investments or advances directly or indirectly to Penn Central Transportation Company, its Trustees, or any successor, other than the receivable reflected on Lessee's balance sheet dated December 30, 1974, (ii) Lessee shall not purchase or finance any equipment or goods on behalf of Penn Central Transportation Company, its Trustees or any successor, and (iii) Lessee shall pay dividends (a) for the 1975 tax year only from its current year's net income as computed in accordance with Interstate Commerce Commission regulations, and in no event shall the amount of any such dividends for such year exceed \$5,000,000 and (b) for the 1976 tax year and subsequent years, Lessee shall pay dividends only from its current year's net income as computed in accordance with Interstate Commerce Commission regulations, and in no event shall the amount of any such dividends for such year exceed 75% of the net income of Lessee."

10. Section 25 is hereby amended by inserting following the words "inclusive hereof," the following: "(vii) and (viii),"

11. Section 27 is hereby amended by striking the entire Section and inserting, in place thereof, the following:

"The Lessee agrees and covenants that prior to the delivery and acceptance of the first unit of equipment, Lessee will, at its sole expense, cause this lease to be duly filed, registered or recorded in conformity with Section 20(c) of the Interstate Commerce Act and be deposited with the Registrar General of Canada in accordance with Section 86(2) of the Railway Act, or other applicable statutory authority and in such other places within or without the United States required by law or as Lessor may reasonably request and will furnish the Lessor proof of such filing, registration or recordation."

Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register, or re-record wherever and whenever required) any and all further instruments required by law or reasonably requested by Lessor, for the purpose of carrying out the intention of this lease, and in connection with any such action, will deliver to Lessor proof of such filings and an opinion of Lessee's counsel that such action has been properly taken. Lessee will pay all costs, charges and expenses incident to any such filing, re-filing, registering, recording, re-recording of any such instruments or incident to the taking of such action."

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed as of the date first above written by their officers or agents thereunto duly authorized.

MDFC EQUIPMENT LEASING CORPORATION

By George M. Rosen  
Its VICE PRESIDENT

SEAL

ATTEST:

Charles K. Johnson  
Secretary

THE PITTSBURGH AND LAKE ERIE RAILROAD  
COMPANY

By H.S. Allgrop  
Its President

SEAL

ATTEST:

Edward J. Moran  
Asst Secretary



## Lease Addendum No. 1

In connection with that certain Lease Agreement dated as of September 15, 1975 (the "Lease") between MDFC Equipment Leasing Corporation, as Lessor (the "Lessor") and <sup>Pittsburgh and Lake Erie</sup> ~~Railroad Company~~, as Lessee (the "Lessee") covering certain items of equipment ("Equipment") more fully described in the Individual Equipment Records ("IER") identified as Exhibit "A" thereto it is agreed that upon execution by the parties hereto, this Lease Addendum No. 1 shall constitute a part of said Lease.

Lessee is hereby granted an option, which option shall not be assignable to purchase AS-IS-WHERE-IS all, but not less than all of the Equipment covered by said Lease, at the expiration of the term of each of said IER's to said Lease, for its then Fair Market Value.

The exercise of said option is conditioned upon: (a) performance of all of the terms and conditions of said Lease and all IER's thereto, and of all other agreements between Lessor and Lessee, at the time and in the manner required therein and no event which with due notice and/or lapse of time would constitute an event of default shall have occurred and be continuing under the Lease or any of the IER's executed pursuant to said Lease or any other such agreement; (b) Lessor's receipt of written notice of the election to exercise said option at least one hundred twenty days prior to the date upon which the original term of the first IER of said Lease expires; and (c) payment to Lessor of said Fair Market Value price, as set forth below, together with all taxes on or measured by such purchase price.

The Fair Market Value shall be an amount mutually agreed upon by Lessor and Lessee. Lessee's estimate of Fair Market Value of the Equipment covered by this first expiring IER referred to shall accompany the 120 days' notice set forth above; and one hundred twenty (120) days prior to the expiration of each subsequently expiring IER, Lessee shall send its reasonable estimate of the Fair Market Value of the Equipment covered by each such IER. If Lessor and Lessee are unable to agree upon the amount of the Fair Market Value of the Equipment within sixty (60) days after Lessor's receipt of the estimate thereof, then the Fair Market Value shall be determined by an appraiser selected by mutual agreement. If Lessor and Lessee are not able to agree upon an appraiser, or if the Fair Market Value is not so determined within ninety (90) days after Lessor's receipt of Lessee's notice of election to exercise the purchase options, the Fair Market Value shall be determined by American Appraisal Company. The Fair Market Value as finally determined shall bear interest for the period, if any, from the date of expiration of the IER to the date of payment, at the rate of 10% per annum and Lessee shall pay the cost of any appraisal should appraisal be necessary.

By Lessee's purchase of the Equipment covered by the first IER entered into pursuant to said Lease, Lessee agrees that it shall thereafter purchase, upon the terms and conditions set forth herein, the remainder of the Equipment covered by said Lease.

Unless Lessee has purchased the Equipment as set forth above, all the Equipment then leased shall be returned pursuant to Section 15 of the Lease.

Dated: September 15, 1975

MDFC EQUIPMENT  
LEASING CORPORATION

By

George M. Rosen

Its

VICE PRESIDENT

SEAL

ATTEST:

Charles K. Johnson  
Secretary

PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY

By

H. S. Allgrop

Its

President

SEAL

ATTEST:

Glenn M. Wilson

LEASE ADDENDUM NO. 2

In connection with that certain Lease Agreement dated as of September 15, 1975 (the "Lease") between MDFC Equipment Leasing Corporation as Lessor (the "Lessor") and The Pittsburgh and Lake Erie Railroad Company as Lessee (the "Lessee") covering certain items of equipment "(Equipment)" more fully described in the Individual Equipment Records ("IER") identified as Exhibit "A" thereto, and any subsequent IER's which may, from time to time, be executed by the parties hereto and made a part of the Lease, it is agreed that, upon execution by the parties hereto, this Lease Addendum No. 2 shall constitute a part of said Lease.

If for any taxable year of Lessor (or portion thereof) during which the Lease is in effect, Lessor (such term for the purpose of this Lease Addendum No. 2 meaning Lessor and the corporations with which Lessor consolidates its United States federal income tax returns) shall (i) lose any portion of the full 10% investment tax credit allowed by section 38 of the Internal Revenue Code of 1954 as amended to the date hereof (the "Code") for "new section 38 property" with respect to that part of the purchase price paid by Lessor for any item of Equipment equal to the "Construction Costs" as that term is defined in that certain Contract for Purchase and Construction dated as of the date hereof (the "Contract") between the parties hereto (said part of the purchase price is hereinafter referred to as the "Construction Part") (or, except as provided in clause (c) of this paragraph, would lose such portion but for Lessor's failure to have sufficient liability for tax within the meaning of section 46 of the code against which to credit such portion for the taxable year of Lessor in which such item of Equipment is placed in service), and/or (ii) lose the benefit of a depreciation deduction with respect to the Construction Part of the purchase price paid by Lessor for any item of Equipment depreciated over a period equal to the number of years of the original term of the Lease for such item of Equipment to a net salvage value of 10% of the purchase price of such item of Equipment, computed initially under the double-declining balance method of depreciation provided in section 167(b)(2) of the Code and then switching to the sum-of-the years' digits method of depreciation provided by section 167(b)(3) of the Code and/or lose the benefit of a depreciation deduction with respect to that part of the purchase price paid by Lessor for any item of Equipment equal to the amount of purchase price for a hulk as set forth in Part I, Section 2 of said Contract depreciated at the rate of one hundred fifty percent of the applicable straight-line rate under Section 167(a) of the Code and then switching to the straight-line method of depreciation (or, except as provided in clause (c) of this paragraph, would lose the benefit of such deduction if Lessor had sufficient gross income in the taxable year of the loss of such deduction against which to

apply such deduction), under any circumstances or for any reason whatsoever (including but not limited to the occurrence of a change in or modification of the law, including a change in or promulgation of applicable Treasury regulations or the issuance of Internal Revenue Service rulings or determinations, the Lease being treated as other than a "true lease" for federal income tax purposes, or, in the case of the investment tax credit, any such Item of Equipment at any time not being treated as "new section 38 property within the meaning of section 48(b) of the Code as in effect on the date hereof, the Lessee shall pay the Lessor (1) a sum which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt of such sum under the laws of any Federal, state or local government or taxing authority in the United States, shall be equal to the amount of investment tax credit so lost (or which would have been lost had Lessor had sufficient liability for tax within the meaning of section 46 of the Code), (2) the amount of any interest and the amount of any penalties or additions to tax which may be payable to the United States Government by Lessor in connection with the loss of such investment credit, (3) with respect to each taxable year for which Lessor shall lose the benefit of a depreciation deduction indemnified against by Lessee hereunder, a sum which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such sum under the laws of any Federal, state, or local government or taxing authority in the United States shall be equal to the amount of any additional Federal income taxes required to be paid with respect to such year (or which would have been required to be paid by Lessor for such year had it had sufficient gross income within the meaning of section 61 of the Code to actually derive the benefit of such depreciation deduction) by reason of such loss of depreciation deduction (net of any savings in Federal income taxes realized by Lessor by reason of Lessor not being required to include in its Federal gross income for the relevant period the full amount of rent paid by Lessee for such period) and (4) the amount of interest, penalties and additions to tax (including any additions to tax because of underpayment of estimated tax) which may be payable by Lessor to the United States Government in connection with the loss of such depreciation deduction, provided that the Lessee shall not be required to make any of the foregoing indemnity payments to the extent the loss of the investment tax credit and/or depreciation deduction is the direct result of: (a) any event whereby Lessee is required by the terms of the Lease to pay, and shall have paid in full the Stipulated Loss Value for such item of Equipment; (b) at any time while no Event of Default is continuing Lessor shall voluntarily transfer legal title in such Equipment to a third party; (c) the failure of Lessor to have sufficient liability for tax within the meaning of section 46 of the Code against which to credit such investment credit for such item of Equipment or to have sufficient gross income within the meaning of section 61

of the Code against which to apply such depreciation deduction (but only if and to the extent that such investment credit or depreciation deduction would not be lost if Lessor had sufficient liability for tax or sufficient gross income); and (d) the failure of Lessor to claim the investment tax credit and/or depreciation deduction in its income tax returns for the appropriate year or to follow the proper procedure in claiming such investment credit and/or depreciation deduction in such tax returns for such year, if such failure to claim or follow proper procedure shall preclude Lessor from claiming the investment credit and/or depreciation.

Except as otherwise provided in the immediate following paragraph, the liability of the Lessee to make any indemnity payments hereunder shall become fixed at the time Lessor makes payment of the tax attributable to the portion of the investment credit or depreciation deduction lost, or, if Lessor is not required to make payment of tax with respect to the portion of the investment tax credit or deduction lost, the date on which Lessor files its tax return for the taxable year in which such loss occurs, and shall be due and payable within 15 days after receipt by Lessee of written notice from Lessor as to the fixing of such liability. Lessee shall pay interest at the maximum rate permitted by law on any indemnity payment not made when due.

In the event a claim shall be made by the Internal Revenue Service which, if successful, would result in the loss of the investment tax credit or depreciation deduction under circumstances which would require the Lessee to indemnify the Lessor for such loss, the Lessor hereby agrees to take such action in connection with contesting such claim as the Lessee shall reasonably request in writing, provided that: (i) within 30 days after notice of such claim by Lessor, the Lessee shall request that such claim be contested; (ii) Lessor, at its option, may forego any and all administrative appeals, proceedings, and conferences with the Internal Revenue Service and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate forum selected by Lessor or contest such claim in the United States tax Court, considering, however, in good faith such request as the Lessee shall make concerning the appropriate forum in which to proceed; (iii) prior to taking such action, the Lessee shall have furnished the Lessor with an opinion of independent tax counsel to the effect that a meritorious defense exists to such claim; (iv) Lessee shall have indemnified Lessor in a manner satisfactory to it for any liability, loss, or expenses which Lessor may incur as the result of contesting such claim; and (v) in the event Lessor shall pay the tax claimed and then seek a refund and the final determination of such claim shall be adverse to Lessor, Lessee shall pay Lessor interest at the rate of 10% per annum on the amount of the tax paid attributable to the portion of the investment credit or depreciation deduction lost, computed from the day of payment of such tax to the date Lessee shall reimburse Lessor for the payment of such tax. In the case of any such claim by the

Internal Revenue service referred to to above, Lessor agrees to promptly notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed for at least 30 days after the giving of such notice and agrees to cooperate with Lessee in good faith in order to contest effectively any such claim. If any such claim shall be made by the Internal Revenue Service and Lessee shall have reasonably requested Lessor to contest such claim and shall have duly complied with all provisions of this paragraph the Lessee's liability with respect to the investment credit or depreciation deduction lost as a consequence of such claim shall become fixed upon final determination of the liability of Lessor for the tax claimed and after giving effect to any refund obtained; but in all other cases the liability of Lessee shall become fixed and payable as provided in the immediately preceding paragraph.

The indemnification provided for herein shall survive the expiration or other termination of the Lease.

Dated as of September 15, 1975

MDFC EQUIPMENT LEASING CORPORATION

By: George M. Rynn

Its: VICE PRESIDENT

SEAL

Attest:

Charles Johnson  
Secretary

THE PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY

By: H. S. Allgier

Its: President

SEAL

Attest:

Edward Carson  
Asst. Secretary

OCT 29 1975 - 10 40 AM

MDFC Equipment Leasing Corporation  
3855 Lakewood Boulevard  
Long Beach, California 90846

INTERSTATE COMMERCE COMMISSION

CERTIFICATE OF ACCEPTANCE  
(HULKS)

Gentlemen:

1. The undersigned Resident Engineer is your authorized representative designated under the Contract for Purchase and Construction dated as of September 15, 1975 (the "Construction Agreement") between you and The Pittsburgh and Lake Erie Railroad Company (the "Railroad Company"). As such authorized representative, the undersigned hereby represents and certifies to you as follows:

(a) that the used railroad cars (hulks) described below have been duly delivered in good order by the Railroad Company under the Construction Agreement, have been duly inspected and accepted on the respective dates shown by the undersigned as your authorized representative and conform in all respects to the requirements and specifications of the Construction Agreement; and

(b) that each such car was at its delivery marked with the Lessee's identifying numbers hereinafter set forth.

2. The undersigned, The Pittsburgh and Lake Erie Railroad Company ("Lessee"), is the Lessee under the Equipment Lease Agreement, Amendment No. 1, Addenda Nos. 1 and 2, all dated as of September 15, 1975 (together the "Lease Agreement") between you and the Lessee. As such Lessee, we hereby request you to pay the attached invoices for the acquisition of the used railroad cars (hulks) described below. We hereby represent and certify to you as follows:

(a) that all of our representations and warranties set forth in the Lease Agreement are true and correct as of the date hereof as though made on this date;

(b) that the used railroad cars (hulks) described below have been delivered to us, as Lessee under the Lease Agreement, on the dates indicated and have been duly inspected and are hereby accepted by us for rebuilding and reconstruction under the Construction Agreement and for lease under the Lease Agreement; and

(c) that no event of default, or event which might mature into an event of default, has occurred and is continuing under the Lease Agreement.

3. This Certificate of Acceptance shall be and become a part of the Lease Agreement, and the used railroad cars (hulks) described below are hereby declared to be leased by us thereunder.

William L. Dyft Jr.  
Resident Engineer and authorized  
representative, as aforesaid,  
and signed as to the matters in  
paragraph 1 above

Dated: October 21, 1975

THE PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY, Lessee, and  
signing as to the matters in  
paragraphs 2 and 3 above

By Gordon E. Neueneschwartz

Its Vice President & General Counsel

Dated: October 21, 1975

ACCEPTED:

MDFC EQUIPMENT LEASING CORPORATION

By Jerry H. [Signature]

Dated: October 24, 1975



DESCRIPTION OF USED RAILROAD CARS (HULKS)

<u>Total No. of Items</u>	<u>Lessee's Identifying Numbers</u>	<u>Delivery and Acceptance Date</u>	<u>Invoice Amount</u>
118	See attached Schedule	October 21, 1975	\$554,600

## 118 HULK NUMBERS

68155	69043	69950	70875	72251
68177	69109	69981	70984	72265
68180	69145	69983	71170	72324
68195	69230	69991	71225	72341
68201	69251	70051	71254	72343
68224	69299	70181	71317	72352
68225	69367	70185	71391	72399
68261	69401	70232	71479	72482
68298	69411	70256	71489	72601
68329	69419	70281	71625	72656
68385	69678	70308	71705	72740
68393	69681	70346	71715	72777
68434	69688	70352	71753	72814
68491	69729	70385	71764	72848
68492	69763	70427	71795	72890
68744	69802	70430	71845	72975
68751	69827	70462	71952	72983
68791	69870	70514	72099	72992
68834	69875	70519	72129	73286
68845	69911	70536	72172	73295
68850	69915	70647	72199	73333
68856	69937	70652	72203	73363
68931	69949	70786		73502
68968				73585
				73624
				74046

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF ALLEGHENY )

ss:

On this 21st day of October , 1975, before me personally appeared Gordon E. Neuenschwander to me personally known, who being by me duly sworn, says that he is Vice President and General Counsel of THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Donna R. Smoger  
Notary Public

(SEAL)

My Commission Expires:

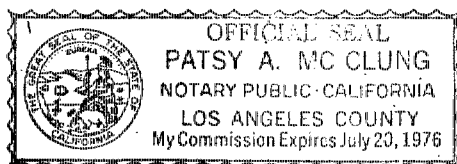
DONNA R. SMOGER, Notary Public  
Pittsburgh, Allegheny Co., Pa.  
My Commission Expires  
February 3, 1976

STATE OF CALIFORNIA )

COUNTY OF LOS ANGELES )

ss:

On this 24th day of October , 1975, before me personally appeared Gary L. Christensen to me personally known, who being by me duly sworn, says that he is Authorized Agent of MDFC EQUIPMENT LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



(SEAL)

McDonnell Douglas Finance Corporation

My Commission Expires: July 20, 1976

Patsy A. McClung  
Notary Public

8081-B

RECORDATION NO. .... Filed & Recorded

MDFC Equipment Leasing Corporation  
3855 Lakewood Boulevard  
Long Beach, California 90846

NOV 25 1975 10 30 AM

INTERSTATE COMMERCE COMMISSION

CERTIFICATE OF ACCEPTANCE  
(REBUILT RAILROAD CARS)

Gentlemen:

1. The undersigned Resident Engineer is your authorized representative designated under the Contract for Purchase and Reconstruction dated as of September 15, 1975 (the "Reconstruction Agreement") between you and The Pittsburgh and Lake Erie Railroad Company (the "Railroad Company"). As such authorized representative, the undersigned hereby represents and certifies to you as follows:

(a) that the rebuilt railroad cars described below have been duly delivered in good order by the Railroad Company under the Reconstruction Agreement, have been duly inspected and accepted on the respective dates there shown by the undersigned as your authorized representative and conform in all respects to the requirements and specifications of the Reconstruction Agreement; and

(b) that each such car was at its delivery properly marked on each side thereof with the legend provided in Section 2(a) of Amendment No. 1 to Equipment Lease Agreement, dated as of September 15, 1975, between you and the Railroad Company.

2. The undersigned, The Pittsburgh and Lake Erie Railroad Company ("Lessee"), is the Lessee under the Equipment Lease Agreement dated as of September 15, 1975 (the "Lease Agreement") between you and the Lessee. As such Lessee, we hereby request you to pay the attached invoice for the reconstruction and delivery of the rebuilt railroad cars described below. We hereby represent and certify to you as follows:

(a) that all of our representations and warranties set forth in Section 22 of the Lease Agreement, as amended by Amendment No. 1, are true and correct as of the date hereof as though made on this date;

(b) That the rebuilt railroad cars described below have been delivered to us, as Lessee under the Lease Agreement, on the dates indicated and have been duly inspected under the Lease Agreement; and

(c) that no event of default, or event which might mature into an event of default, has occurred and is continuing under the Lease Agreement.

3. This Certificate of Acceptance shall be and become a part of the Lease Agreement, and the rebuilt railroad cars described below are hereby declared to be leased by us thereunder. The Lease Agreement was filed and recorded with the Interstate Commerce Commission on October 16, 1975, at 10:35 A.M., under Recordation No. 8081.

William L. Ruff Jr.  
Resident Engineer and authorized representative, as aforesaid, and signing as to the matters in paragraph 1 above.

Dated: November 20, 1975

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, Lessee, and signing as to the matters in paragraphs 2 and 3 above.

By Gordon E. Henschwank

Its Vice President & General Counsel

Dated: November 20, 1975

ATTEST:

Harold G. Gorman  
Assistant Secretary

ACCEPTED:

MDFC Equipment Leasing Corporation

By Ray H. Christman

Authorized Agent

Dated: November 21, 1975

ATTEST:

Charles K. Johnson  
Secretary

DESCRIPTION OF REBUILT CARS

<u>Total No. of Units</u>	<u>Description</u>	<u>Lessee's Identifying Numbers</u>	<u>Delivery and Acceptance Date</u>	<u>Invoice Amount</u>
118	70-ton standard roller bearing open top triple hopper railroad cars	P&LE 62981-63098 (both inclusive)	Nov. 20, 1975	\$1,451,400.00

COMMONWEALTH OF PENNSYLVANIA)

) SS:

COUNTY OF ALLEGHENY )

On this 20th day of November, 1975, before me personally appeared GORDON E. NEUENSCHWANDER to me personally known, who being by me duly sworn, says that he is the Vice President & General Counsel of THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ronald E. Miller  
Notary Public

(SEAL)

Notary Public, Pittsburgh, Allegheny County

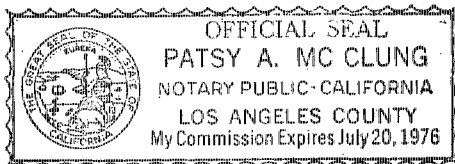
My Commission Expires: My Commission Expires June 20, 1978

STATE OF CALIFORNIA )

) SS:

COUNTY OF LOS ANGELES)

On this 21st day of November, 1975, before me personally appeared Gary L. Christensen to me personally known, who being by me duly sworn, says that he is Authorized Agent of MDFC EQUIPMENT LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



(SEAL)

McDonnell Douglas Finance Corporation

My Commission Expires: July 20, 1976

Patsy A. McClung  
Notary Public

## INDIVIDUAL EQUIPMENT RECORD

IER NO. 138-001Dated as of 11-25-75 to that Equipment Lease Agreement dated as of 9-15-75

LESSOR: MDFC Equipment Leasing Corporation  
 3855 Lakewood Boulevard  
 Long Beach, California 90846  
 Attention: 18A-34

LESSEE: Pittsburgh and Lake Erie Railroad Company  
 324 P&LE Terminal Building  
 Pittsburgh, PA 15219

LOCATION OF EQUIPMENT: Continental United States

ACCEPTANCE DATE: 11-25-75

at least New <u>72.35%</u> Used <u>no more than 27.65%</u>	Purchase Order No. _____	Term: <u>10</u> year(s) <u>120 months</u> month(s) Commencing <u>11-25-75</u>	Security Deposit: \$ <u>none</u>
Sales, Use and Other Taxes \$ <u>none</u>			
RENTAL: \$ <u>-0-</u> payable upon execution of this IER, to be applied to the <u>N/A</u> rental installment. Payment of the <u>first</u> through <u>120th</u> rental installments shall commence on <u>Dec. 25, 1975</u> and shall continue <u>monthly</u> thereafter on the <u>25th</u> day of each <u>month</u> , with each such rental installment to be in the amount of \$ <u>24,561.46</u>			
EQUIPMENT DESCRIPTION AND SERIAL NO.(s) (SEE ATTACHED INVOICES):			
Equipment Description	Serial No.	Equipment Cost	
118 70-ton Open Top Hopper Cars	62981 - 63098	\$2,006,000.00	



# STIPULATED LOSS VALUES

PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
Before Payment 1					
1	102.7	41	91.3	81	60.5
2	102.7	42	90.8	82	59.7
3	102.9	43	90.3	83	58.9
4	103.1	44	89.9	84	58.1
5	103.3	45	89.4	85	52.2
6	103.5	46	88.9	86	51.3
7	103.7	47	88.4	87	50.5
8	103.9	48	87.9	88	49.6
9	104.1	49	87.3	89	48.8
10	104.3	50	86.8	90	47.9
11	104.4	51	86.8	91	47.1
12	104.6	52	85.7	92	46.2
13	104.5	53	85.1	93	45.3
14	104.4	54	84.6	94	44.4
15	104.3	55	84.0	95	43.5
16	104.1	56	83.4	96	42.7
17	104.0	57	82.8	97	41.8
18	103.8	58	82.2	98	40.9
19	103.6	59	81.5	99	40.0
20	103.4	60	80.9	100	39.2
21	103.3	61	75.2	101	38.3
22	103.1	62	74.5	102	37.4
23	102.8	63	73.9	103	36.5
24	102.6	64	73.2	104	35.5
25	102.3	65	72.5	105	34.6
26	102.1	66	71.8	106	33.7
27	101.8	67	71.4	107	32.8
28	101.5	68	70.4	108	31.9
29	101.2	69	69.7	109	31.0
30	100.9	70	69.0	110	30.1
31	100.6	71	68.3	111	29.2
32	100.3	72	67.5	112	28.3
33	99.9	73	66.8	113	27.4
34	99.6	74	66.0	114	26.5
35	99.2	75	65.3	115	25.6
36	98.9	76	64.5	116	24.6
37	98.5	77	63.7	117	23.7
38	93.0	78	63.0	118	22.8
39	92.6	79	62.2	119	21.8
40	92.1	80	61.4	120	20.0
	91.7			& thereafter	

SPECIAL CONDITIONS:

None

Contract for Purchase and  
Construction dated as of  
September 15, 1975  
between Lessor and Lessee.

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

The Lessee agrees to pay the rent set forth herein. The covenants, terms and conditions appearing in that certain Equipment Lease Agreement dated as of 9-15-75 between the undersigned Lessor and Lessee, shall be deemed to be incorporated herein by reference. This Individual Equipment Record shall be governed by and construed in accordance with the laws of the State of California.

LESSOR:  
MDFC EQUIPMENT LEASING CORPORATION

By

Title

ATTEST:

SEAL

By

LESSEE:  
PITTSBURGH & LAKE ERIE  
RAILROAD COMPANY

By

Title

PRESIDENT

ATTEST:

SEAL

By

(Rev. 6-74)

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF ALLEGHENY )

SS:

On this 20th day of November, 1975, before me personally appeared H. G. ALLEN, Jr. to me personally known, who being by me duly sworn, says that he is President of THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

(SEAL)

My Commission Expires:

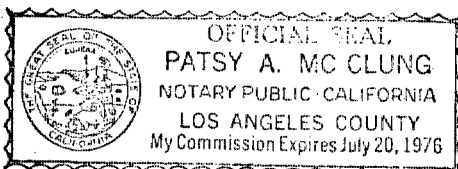
Notary Public, Pittsburgh, Allegheny County  
My Commission Expires June 20, 1978

STATE OF CALIFORNIA )

COUNTY OF LOS ANGELES)

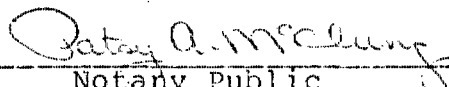
SS:

On this 21st day of November, 1975, before me personally appeared GARY L. CHRISTENSEN to me personally known, who being by me duly sworn, says that he is Authorized Agent of MDFC EQUIPMENT LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



(SEAL)

McDonnell Douglas Finance Corporation

  
Notary Public

My Commission Expires: 7/20/76